

HEALTH MANAGEMENT ASSOCIATES

National LTSS Trends

South Dakota, May 2017



W W W . H E A L T H M A N A G E M E N T . C O M

- + Medicaid Spending
- + Rebalancing towards HCBS
- + National Context/Trends
- + System Performance

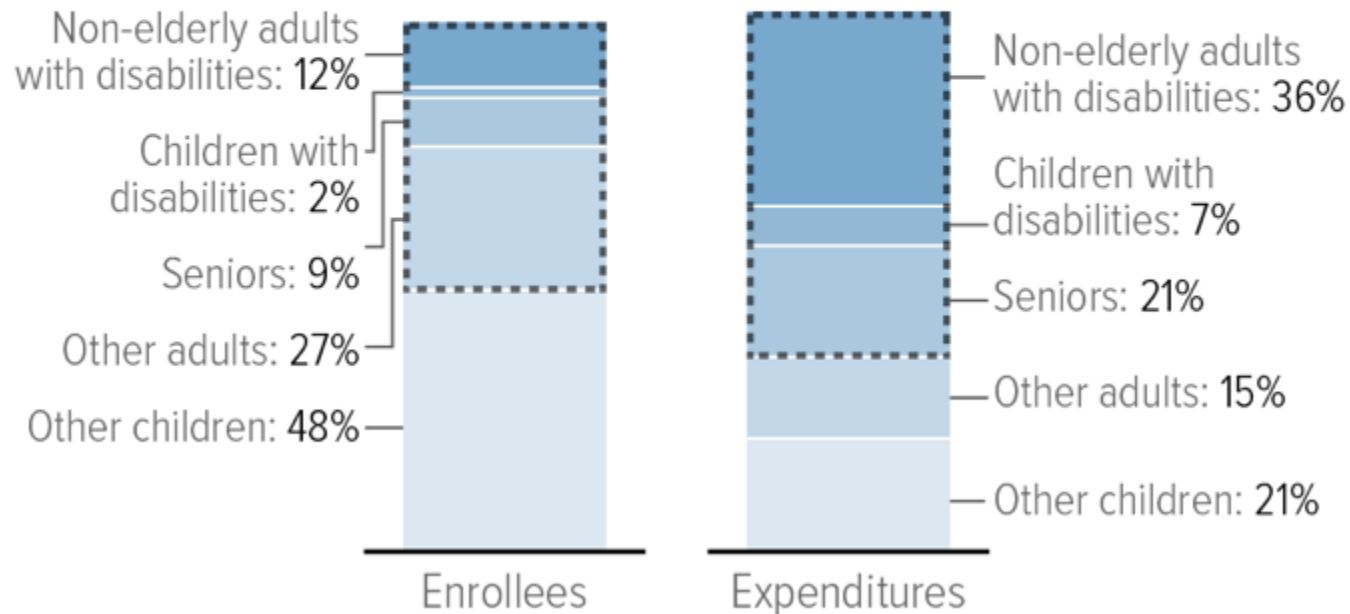
■ MEDICAID SPENDING

- + Total 2016 Services: \$553.5 Billion
 - + Fee-for-service acute care: \$145.5B
 - + Fee-for-service LTSS: \$118.5 B
 - + Managed care: \$252.7B
 - + Other: \$36.8B
- + South Dakota 2016: \$840 Million
 - + Acute Care: \$516M
 - + Institutional: \$176M
 - + HCBS and Home Health: \$148M
- + National Share - 63% federal, 37% state
- + South Dakota Share - 55.7% federal, 44.3% state

Source: Kaiser Family Foundation, <http://kff.org/state-category/medicaid-chip/medicaid-spending/>

Seniors, People with Disabilities Account for Disproportionate Share of Medicaid Spending

Medicaid enrollment and spending by coverage group, fiscal year 2011



Source: Center for Budget and Policy Priorities, <http://www.cbpp.org/seniors-people-with-disabilities-account-for-disproportionate-share-of-medicare-spending>

In South Dakota Medicaid:

- + **60%** of SD Medicaid expenditures are for older adults and people with disabilities (including ID/DD)
- + Older adults and people with disabilities (including ID/DD) represent **24%** of the SD Medicaid enrollees

Source: Robert Wood Johnson Foundation, http://www.statenetwork.org/wp-content/uploads/2017/04/SD-Fact-Sheet_rev-4.4.17.pdf

■ MEDICAID SPENDING

Nationally, Medicaid represents:

- + 16.4% of U.S. health care spending (2014)
- + 9.5% of federal outlays (2015)
- + 61% of U.S. spending on LTSS (2012)

Major part of state budgets (2015):

National:

- 15.8% Medicaid
- 24.1% K-12
- 13.1% Higher Ed

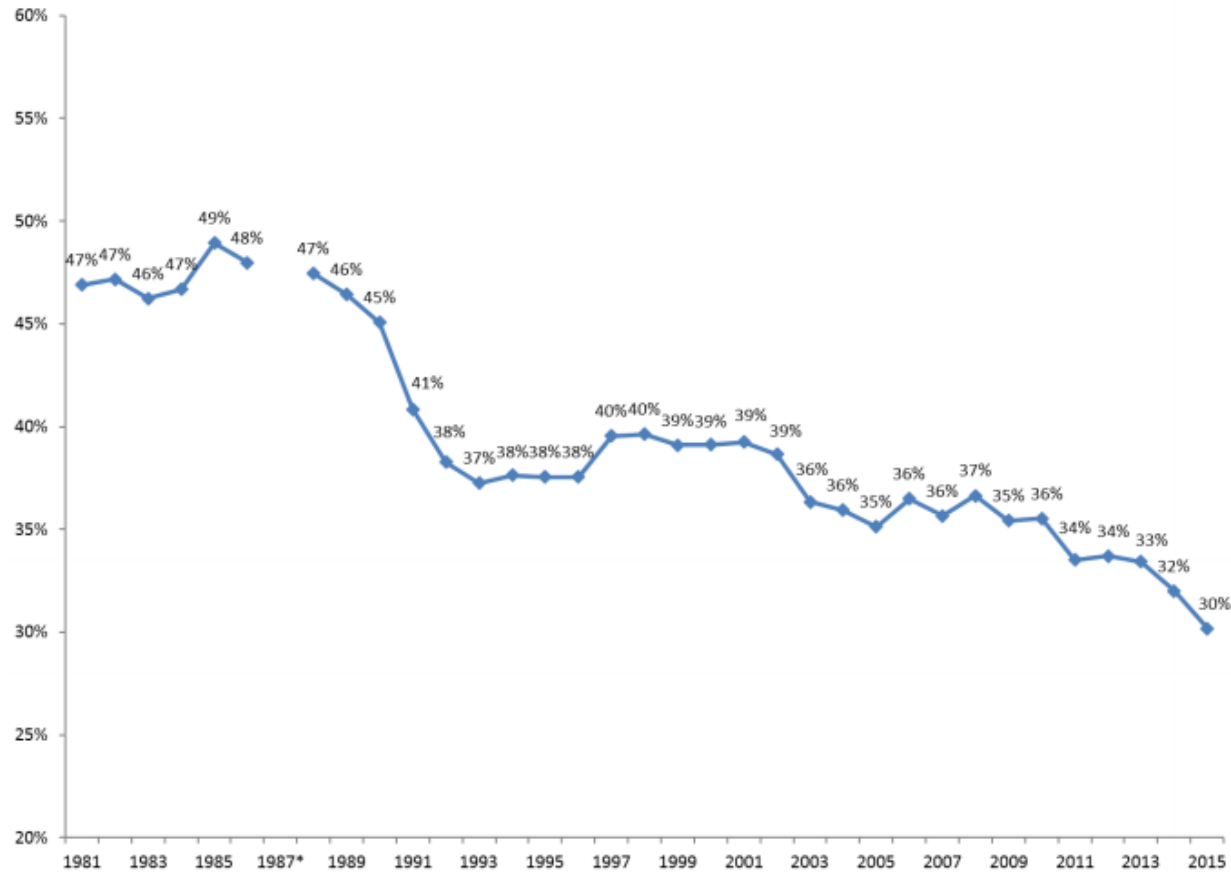
South Dakota:

- 13.7% Medicaid
- 16.0% K-12
- 24.7% Higher Ed

Source: MACPAC, <https://www.macpac.gov/topics/spending/>

MEDICAID SPENDING: LTSS TREND

Figure 7. LTSS as a Percentage of Total Medicaid Expenditures, FY 1981–2015



Source: Truven, Medicaid Expenditures for Long-Term Services and Supports (LTSS) in FY 2015

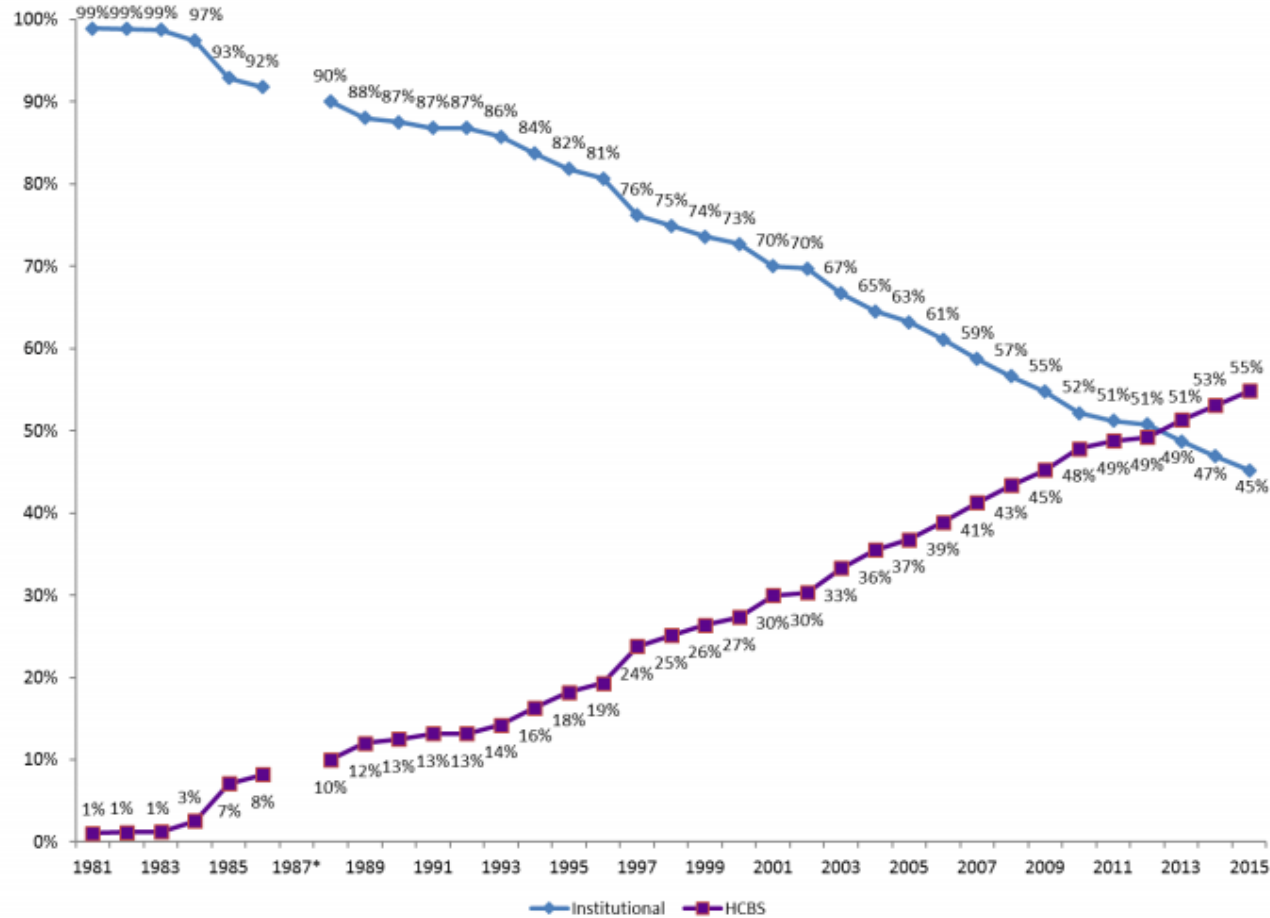
House-passed AHCA per capita caps proposal:

- + Cuts \$839B in Federal Medicaid spending over 10 years
- + Reduce Medicaid enrollment by 14 million people by 2026
- + Changes guaranteed federal match to capped amount
- + South Dakota estimated impact:
loss of 4% in federal funds (\$360M) over 10 years*
 - Represents potential cut of about \$642M (inclusive of state funds) over ten years
 - Current SD 2016 total Medicaid Spending: \$840M

*Source: Urban Institute, http://www.urban.org/sites/default/files/publication/89061/2001186-the_impact-of-per-capita-caps-on-federal-spending-and-state-medicaid-spending.pdf

LTSS REBALANCING

Figure 4. Medicaid HCBS and Institutional LTSS Expenditures as a Percentage of Total Medicaid LTSS Expenditures, FY 1981–2015



Source: Truven, Medicaid Expenditures for Long-Term Services and Supports (LTSS) in FY 2015

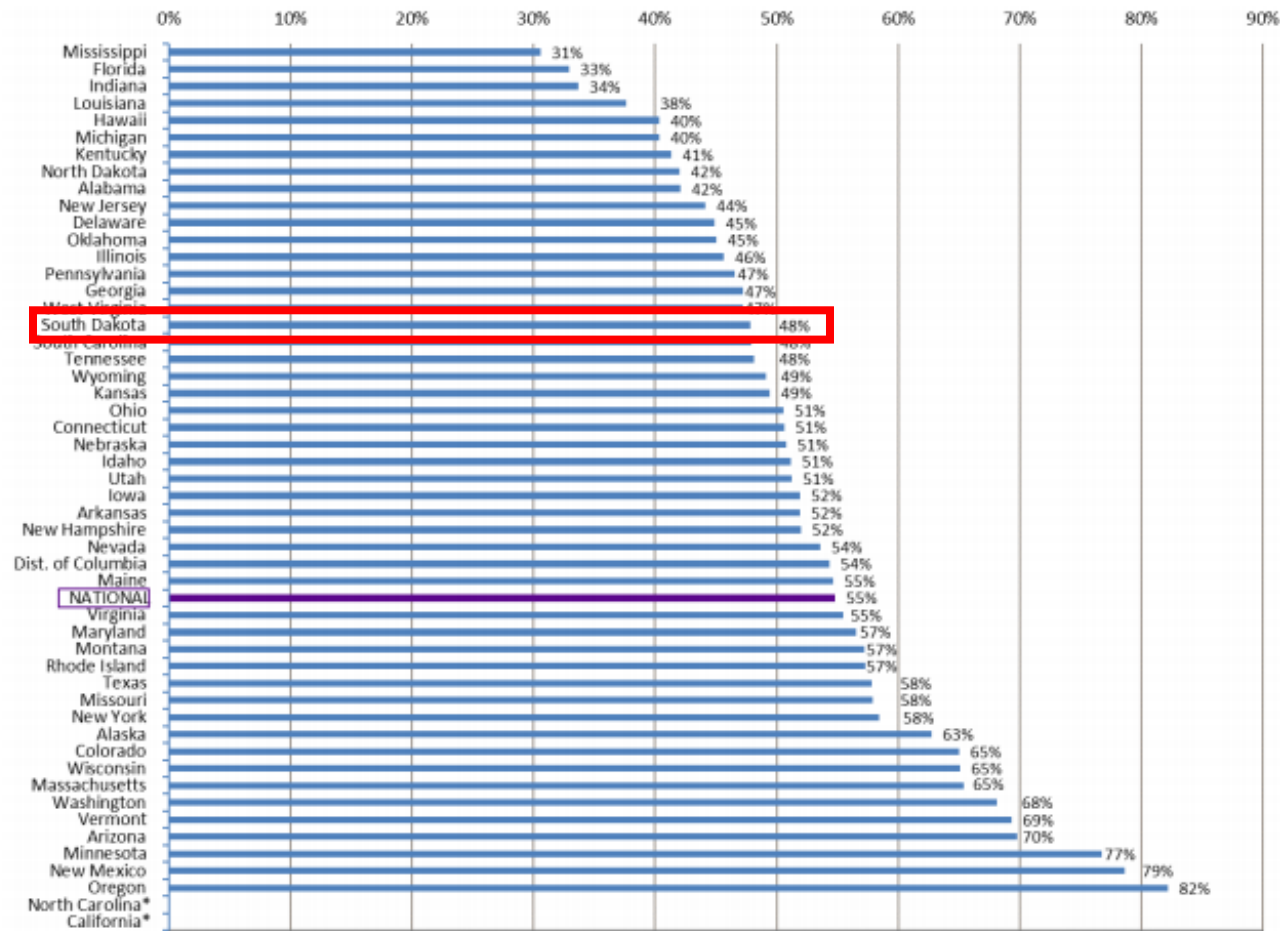
■ LTSS REBALANCING

- ✚ National Medicaid LTSS balance, spending trend
 - 1995 HCBS – 18%, institutions – 82%
 - 2015 HCBS – 55%, institutions – 45%
- ✚ National Medicaid LTSS balance, people (2014)
 - 3.2 million HCBS
 - 1.1 million NF, ICF
- ✚ South Dakota Medicaid LTSS balance (2015)
 - \$171.9M Institutional
 - \$157.8M HCBS
 - 44.9% HCBS = 33rd in U.S. overall
- ✚ South Dakota Medicaid LTSS populations (2015)
 - 18.7% spending in HCBS for older adults/pwd – rank 46th
 - 79.5% spending in HCBS for ID/DD – rank 29th

Source: Truven, Medicaid Expenditures for Long-Term Services and Supports (LTSS) in FY 2015

LTSS REBALANCING

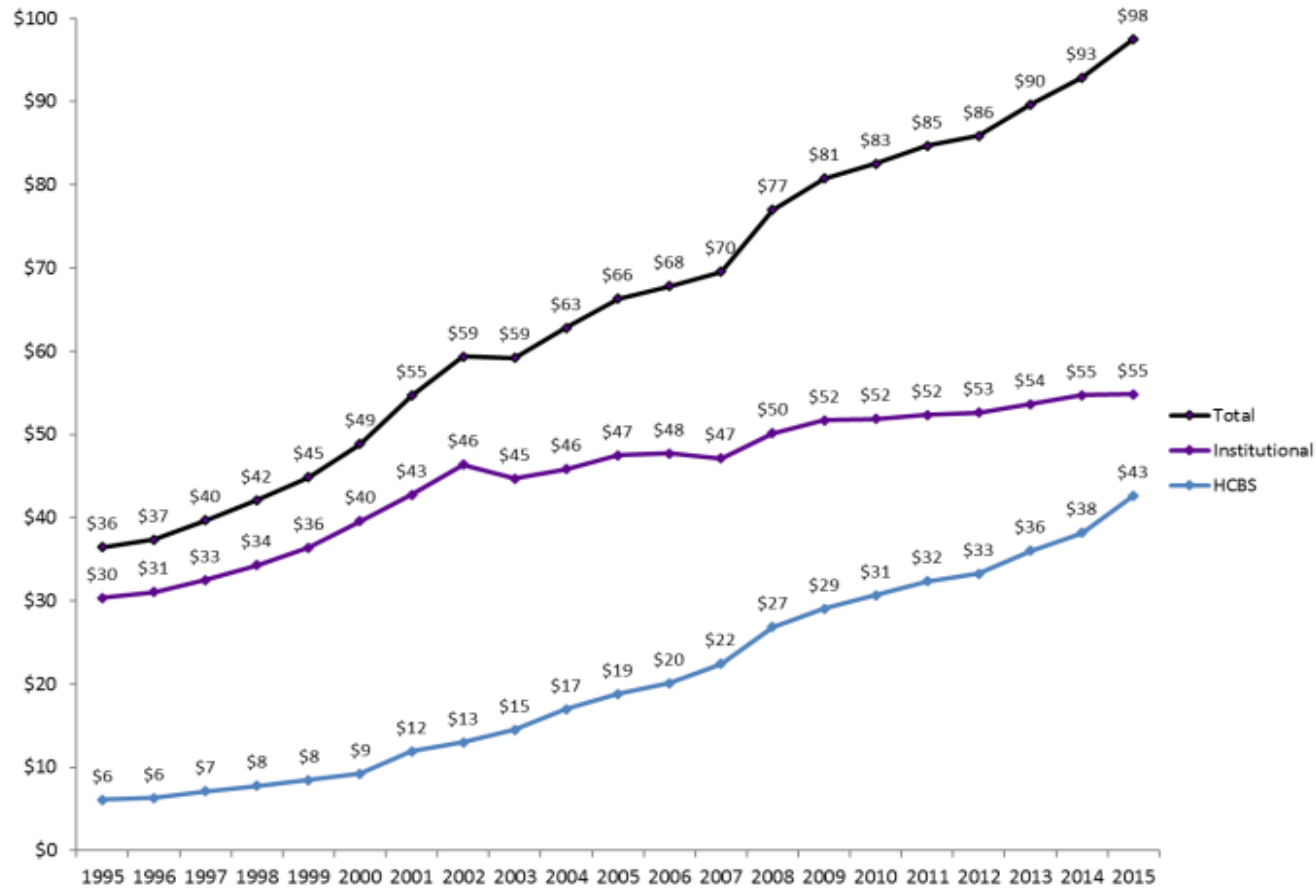
Figure 5. Medicaid HCBS Expenditures as a Percentage of Total Medicaid LTSS Expenditures, by State, FY 2015



Source: Truven, Medicaid Expenditures for Long-Term Services and Supports (LTSS) in FY 2015

LTSS REBALANCING: OLDER ADULTS AND PWD

Figure 11. Medicaid LTSS Expenditures Targeted to Older Adults and People with Physical Disabilities, by Service Category, FY 1995–2015 (in billions)



Source: Truven, Medicaid Expenditures for Long-Term Services and Supports (LTSS) in FY 2015

■ OTHER NATIONAL FACTORS – POLICY DISCUSSIONS

- + CMS HCBS requirements
- + Civil Rights and *Olmstead* enforcement
- + Unpaid Caregivers
- + Aging Population
- + Role of Technology
- + Workforce Issues
- + Quality Measurement/Social Determinants

System Performance

How does South Dakota Compare?

South Dakota ranks 15th across states for Senior Health

+SD Strengths

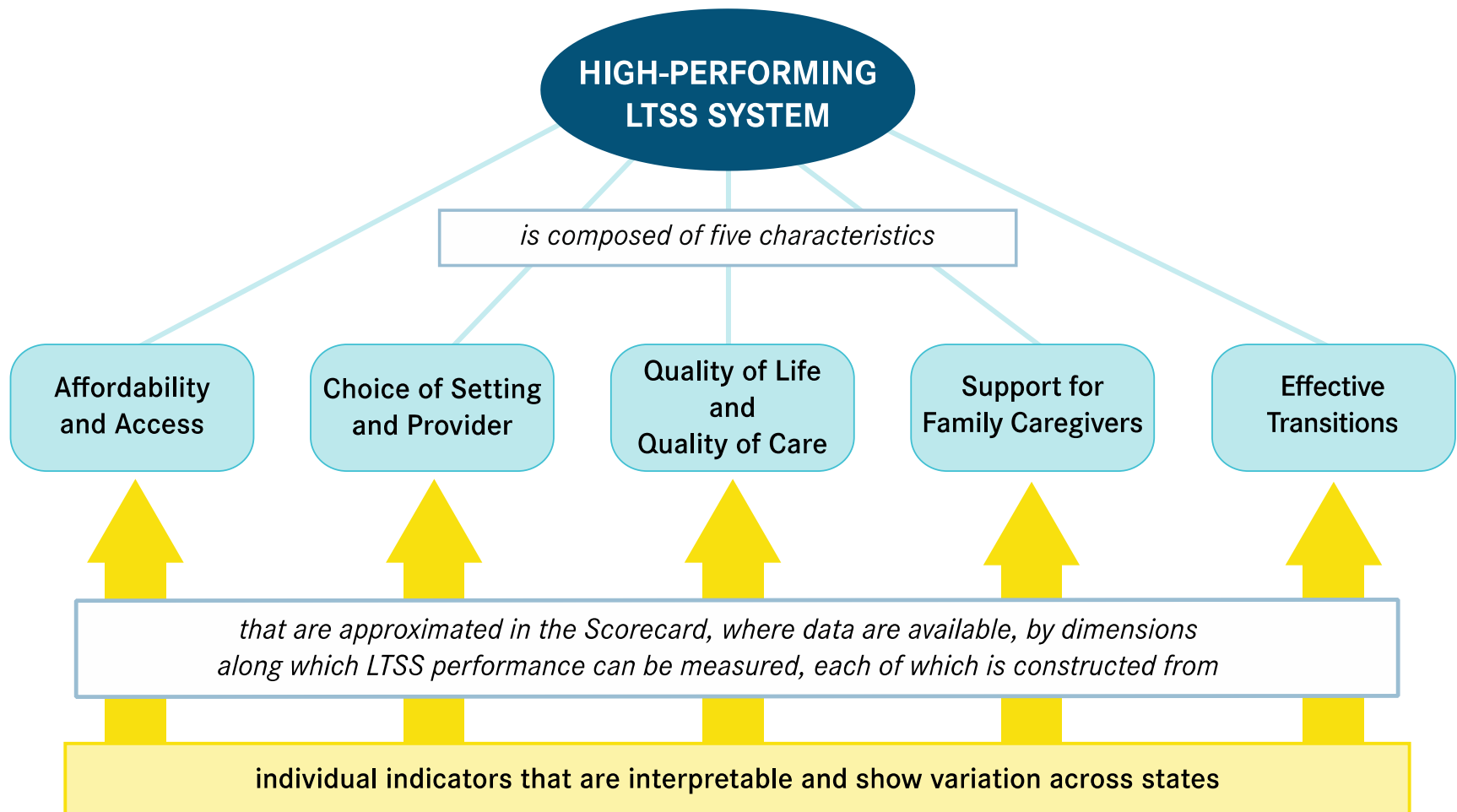
- High flu vaccination coverage
- High percentage of volunteerism
- Low prevalence of frequent mental distress
- Low prevalence of food insecurity
- Low number of hospital re-admissions

+SD Challenges

- Geriatrician shortfall
- Low percentage of hospice care use
- High prevalence of smoking
- High number of low-care Nursing Home residents

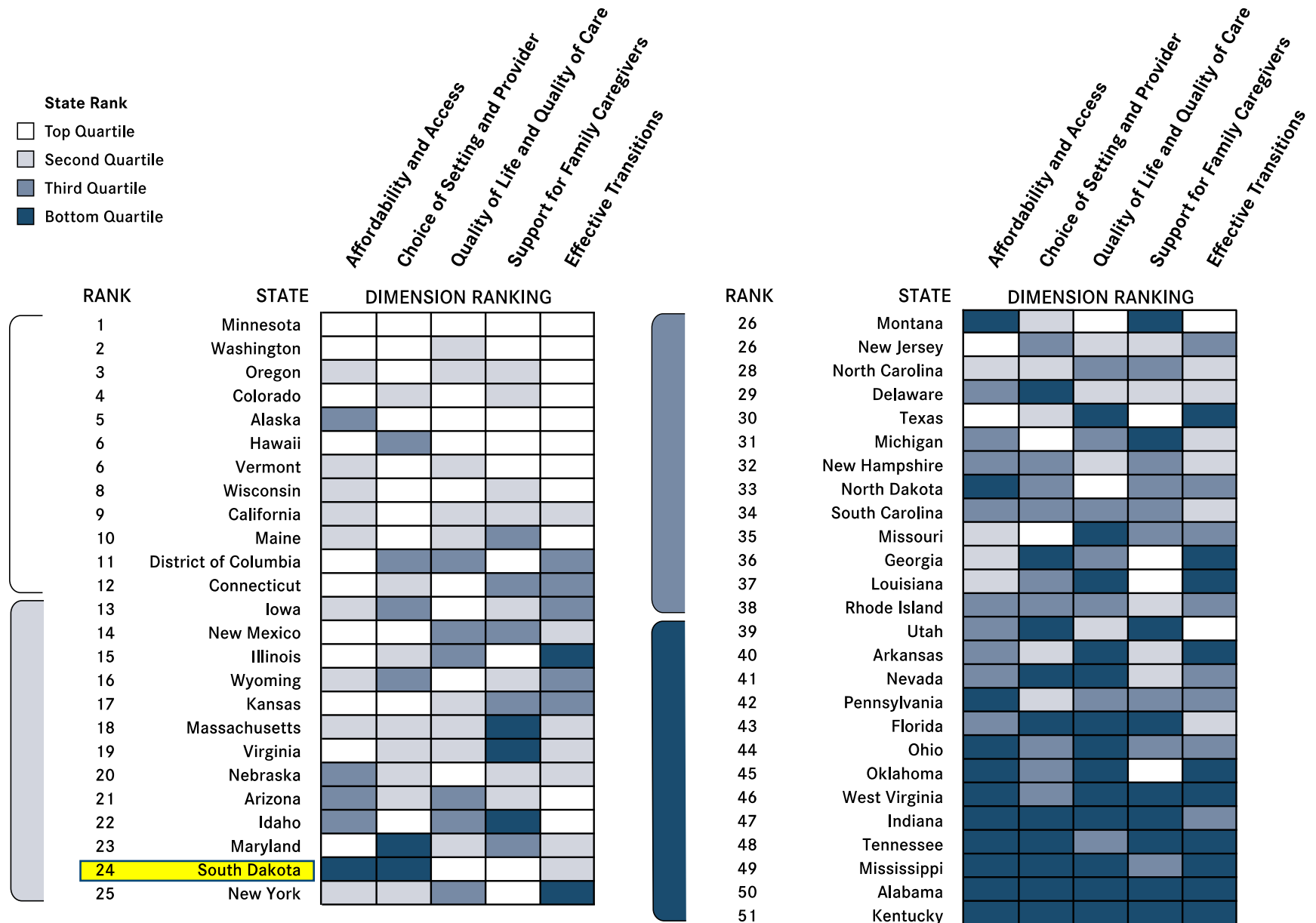
Source: http://www.americashealthrankings.org/explore/2017-senior-report/measure/overall_sr/state/SD

Framework for Assessing LTSS System Performance



Source: State Long-Term Services and Supports Scorecard, 2014.

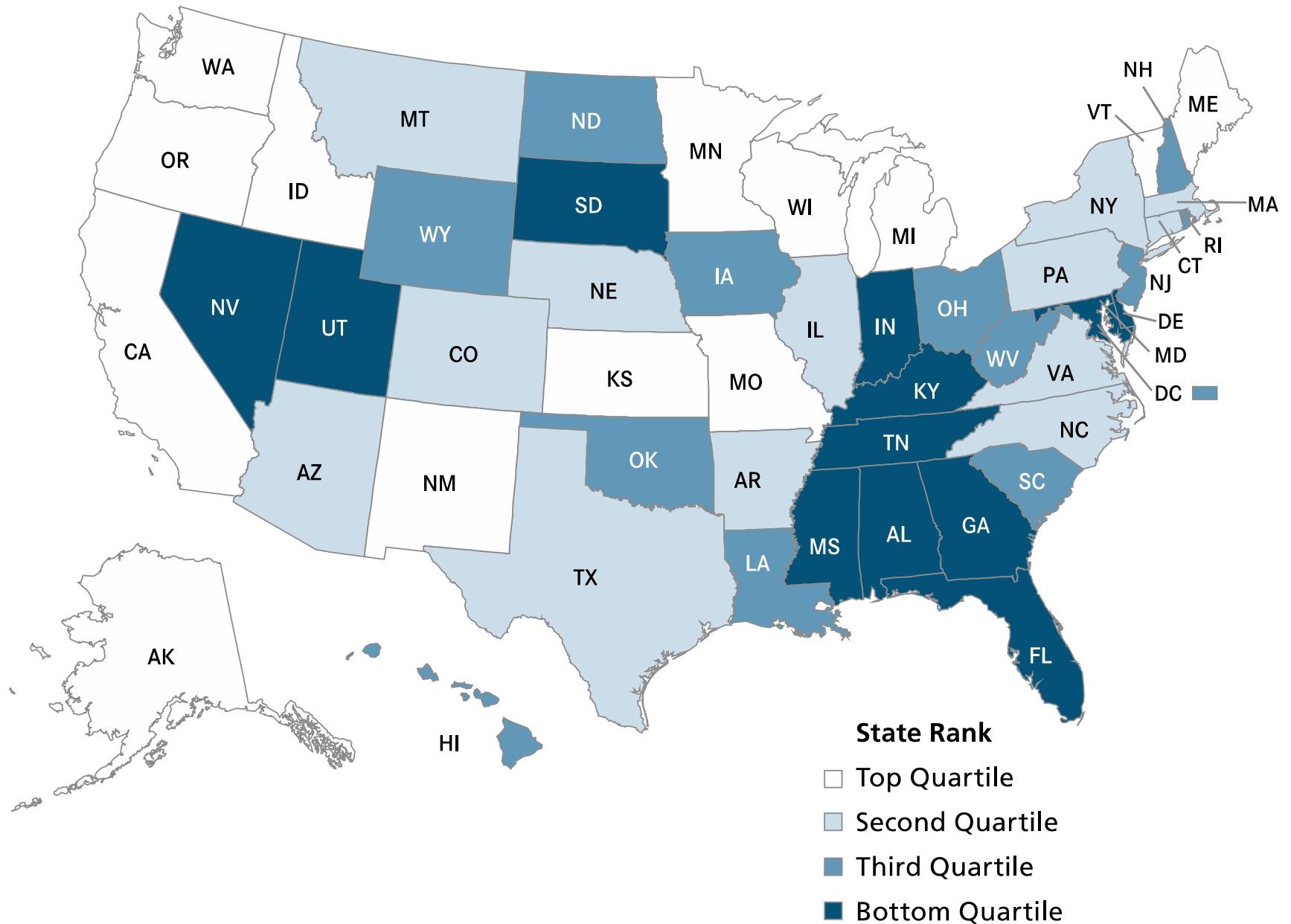
State Scorecard Summary of LTSS System Performance Across Dimensions



Note: Rankings are not entirely comparable to the 2011 Scorecard rankings in Exhibit A2. Changes in rank may not reflect changes in performance, and should not be interpreted as such.

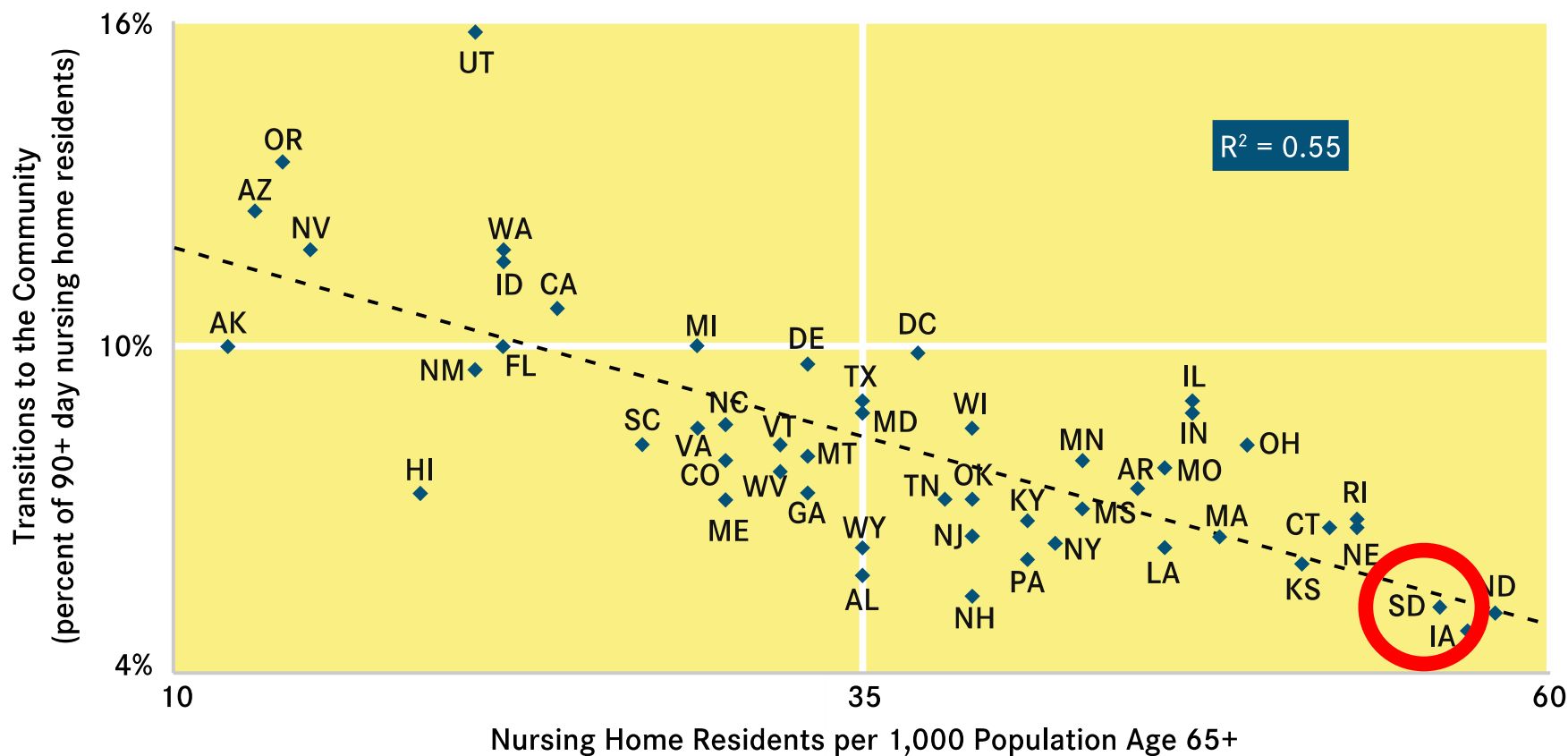
Source: State Long-Term Services and Supports Scorecard, 2014.

State Ranking on Choice of Setting and Provider Dimension



Source: State Long-Term Services and Supports Scorecard, 2014.

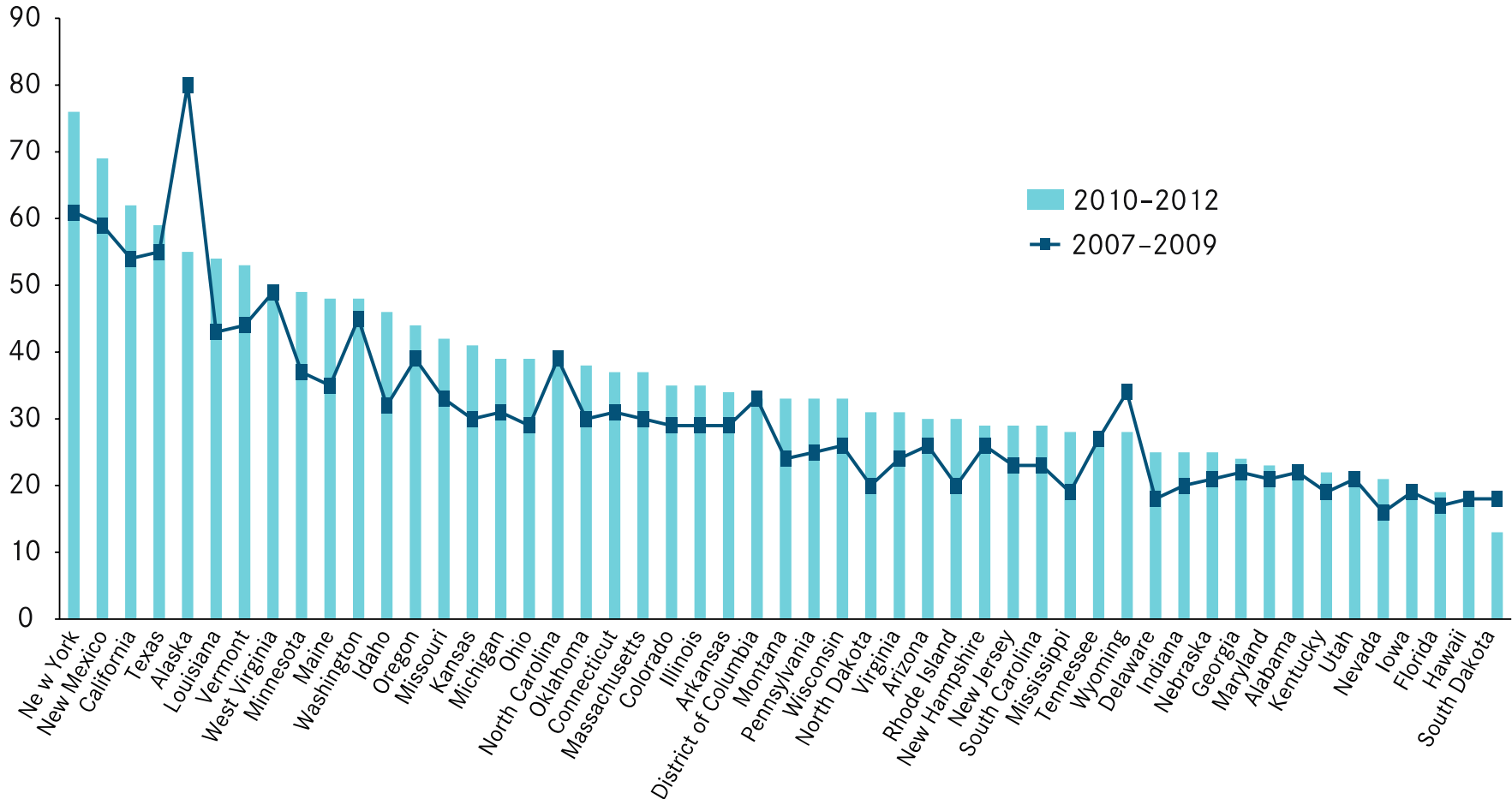
Nursing Home Utilization and Transitions Back to the Community



Data: Transitions to the Community: 2009 Chronic Conditions Warehouse Timeline File; Nursing Home Utilization: 2010 *Across the States*, 2012.
Source: State Long-Term Services and Supports Scorecard, 2014.

State Performance: Home Health Aide Supply, 2010-2012 Compared to 2007-2009

Number of personal care, psychiatric, and home health aide direct care workers per 1,000 population age 65 or older

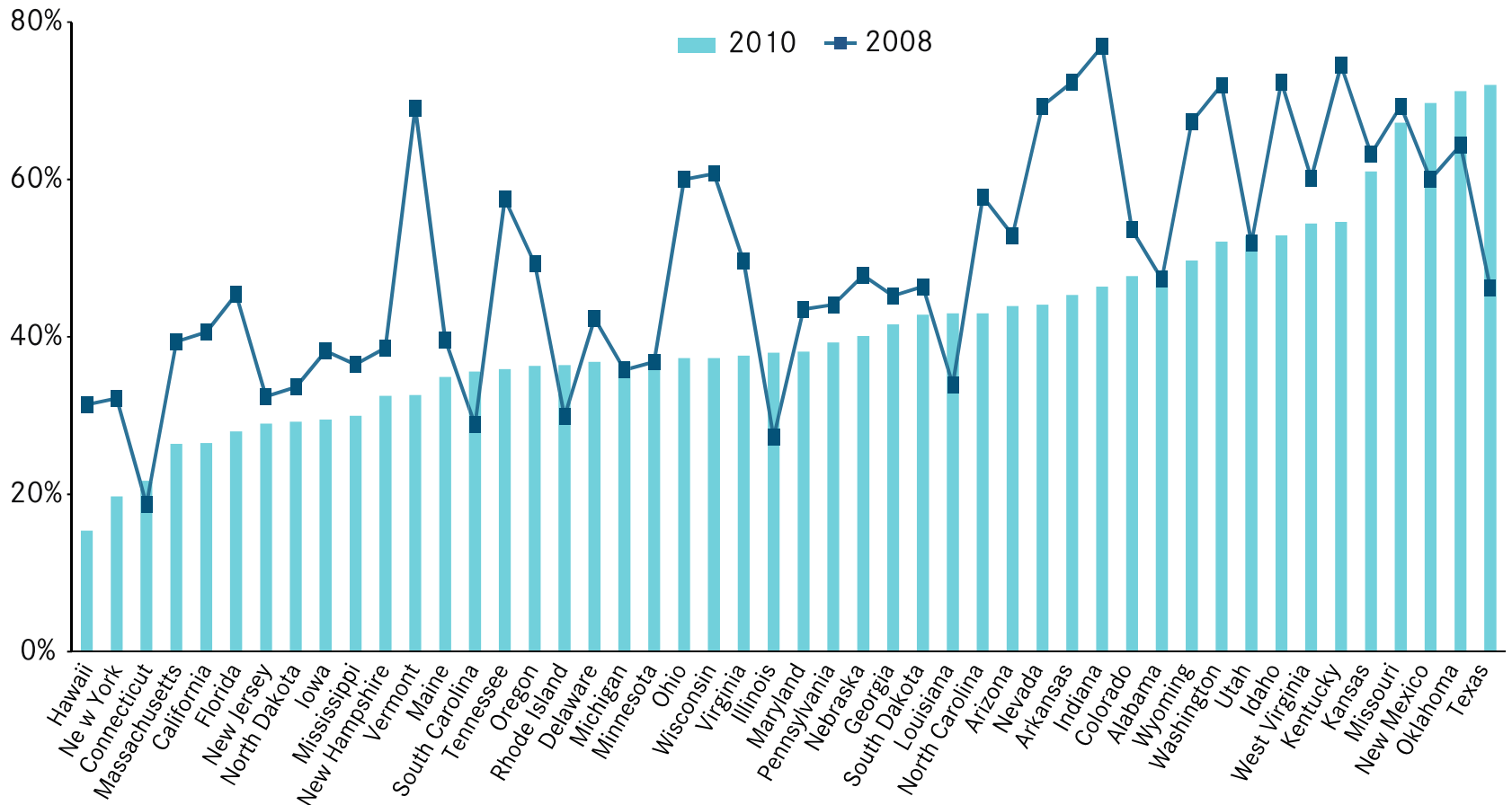


Data: 2007-2012 American Community Survey Public Use Microdata, 2007-2012 U.S. Census Bureau Population Estimates.

Source: State Long-Term Services and Supports Scorecard, 2014.

State Performance: Nursing Home Staff Turnover, 2010 Compared to 2008

Ratio of employee terminations that occurred during the year, regardless of cause, to the average number of active employees during the same time period



Note: Data not available for Alaska (2008 - 2010) and District of Columbia and Montana (2008), therefore, change in state performance cannot be shown.

Data: American Health Care Association, *Report of Findings: 2010 Nursing Facility Staffing Survey*; American Health Care Association, *Report of Findings: 2008 Nursing Facility Staff Vacancy, Retention and Turnover Survey*.

Source: State Long-Term Services and Supports Scorecard, 2014.

+ National Core Indicators

- Aging/PD started in 2012, 15 states in 2015
- ID/DD started over 25 years ago, 44 states in 2015

+ Measuring “what matters” – NCI-AD

- Proportion of people who are able to do things they enjoy outside of their residence when and with whom they want (63%)
- Proportion of people who are able to choose their roommate in group setting (39%)
- Proportion of people who sometimes or often feel lonely, sad or depressed (54%)
- Proportion of people who like where they are living (83%)

■ OPPORTUNITIES TO INNOVATE

- + Continue rebalancing efforts
- + Address family caregiver needs
- + Use of technology
- + Addressing social determinants of health
- + Measuring quality
- + Leveraging DHS combined assets

HEALTH MANAGEMENT ASSOCIATES

Sharon Lewis

slewis@healthmanagement.com

202.617.1536

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